

CHAPTER 98.

LIMITED PARTNERSHIPS.

AN ACT for the formation of limited partnerships.

Partnerships authorized. SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That limited partnerships for the transaction of any mercantile, mechanical or manufacturing business within this State, may be formed by two or more persons, upon the terms, with the rights and powers, and subject to the conditions and liabilities herein prescribed.

General partners. SEC. 2. Such partnerships may consist of one or more persons, who shall be called general partners, and who shall be jointly and severally responsible as general partners now are by law; and of one or more persons who shall contribute in actual cash payments, a specific sum as capital to the common stock, who shall be called special partners, and who shall not be liable for the debts of the partnership, beyond the funds so contributed by him or them to the capital.

Special partners.

General partners transact business. SEC. 3. The general partners only shall be authorized to transact business and sign for the partnership, and to bind the same.

Certificate of partnership. SEC. 4. The persons desirous of forming such partnership, shall make and severally sign a certificate, which shall contain,

Name of firm. 1st. The name or firm under which such partnership is to be conducted.

Business. 2d. The general nature of the business intended to be transacted.

Names of partners. 3d. The names of all the general and special partners interested therein, distinguishing which are general and which are special partners, and their respective places of residence.

Capital. 4th. The amount of capital which each special partner shall have contributed to the common stock.

Length of partnership. 5th. The period at which the partnership is to commence, and the period at which it will terminate.

SEC. 5. The certificate shall be acknowledged or

proved as to the several persons signing the same, before some one authorized to administer oaths and take acknowledgments of deeds. Certificate acknowledged.

SEC. 6. The certificate so acknowledged, shall be filed in the office of the Clerk of the District Court, of the county in which the principal place of business of the partnership shall be situated, and shall also be recorded by him at large, in a book to be kept for that purpose, open to public inspection. If the partnership shall have places of business situated in different counties, a transcript of the certificate, and of the acknowledgment thereof duly certified by the Clerk of the District Court in whose office it shall be filed, under his official seal, shall be filed and recorded in like manner in the office of the Clerk of the District Court of every such county. Certificate recorded.

SEC. 7. At the time of filing the original certificate, with the evidence of the acknowledgment thereof, as before directed, an affidavit of one or more of the general partners shall also be filed in the same office, stating that the sums specific in the certificate, to have been contributed by each of the special partners to the common stock, have been actually and in good faith paid in cash. Affidavit of capital paid in.

SEC. 8. No such partnership shall be deemed to have been formal until a certificate shall have been made, acknowledged, filed and recorded, nor until an affidavit shall have been filed, as above directed, and if any false statement be made in such certificate or affidavit, all the persons interested in such partnership, shall be liable for all the engagements thereof as general partners. Partnership illegal if certificate not filed.

SEC. 9. The partners shall publish the terms of the partnership when registered, for at least six weeks immediately after such registry in two newspapers, to be designated by the Clerk of the District Court of the county in which such registry shall be made, and to be published in the Senatorial District in which their business shall be carried on, and if such publication be not made the partnership shall be deemed general. Terms of partnership published.

Affidavit of publication filed. SEC. 10. Affidavits of the publication of such notice by the printers of the newspapers in which the same shall be published, may be filed with the Clerk of the District Court directing the same, and shall be evidence of the facts therein contained.

Renewals acknowledged and recorded. SEC. 11. Every renewal or continuance of such partnership beyond the time originally fixed for its duration, shall be certified, acknowledged and recorded, and an affidavit of a general partner be made and filed, and notice be given in the manner herein required for its original formation, and every such partnership which shall be otherwise renewed or continued, shall be deemed a general partnership.

Alterations violate the partnership. SEC. 12. Every alteration which shall be made in the names of the partners in the nature of the business, or in the capital or shares thereof, or in any other matter specified in the original certificate, shall be deemed a dissolution of the partnership, and every such partnership which shall in any manner be carried on after any such alteration shall have been made, shall be deemed a general partnership, according to the provisions of the last section.

Names of firm specified. SEC. 13. The business of the partnership shall be conducted under a firm in which the names of the general partners only shall be inserted, without the addition of the word "Company" or any other general term, and if the name of any special partner shall be used in such firm, with his privity, he shall be deemed a general partner.

Suits against the firm. SEC. 14. Suits in relation to the business of the partnership may be brought and conducted, by and against the general partners in the same manner as if there were no special partners.

Special partner's capital not to be withdrawn. SEC. 15. No part of the sum which any special partner shall have contributed to the capital stock, shall be withdrawn by him, or paid or transferred to him, in the shape of dividends, profits or otherwise at any time during the continuance of the partnership, but any partner may annually receive lawful interest on the sum so contributed by him, if the payment of such interest

shall not reduce the original amount of such capital, and if after the payment of such interest, any profits shall remain to be divided, he may also receive his portion of such profits.

SEC. 16. If it shall appear, that by the payment of interest or profits to any special partner, the original capital has been reduced, the partner receiving the same, shall be bound to restore the amount necessary to make good his share of capital, with interest.

Special partner makes capital good.

SEC. 17. A special partner may, from time to time, examine into the state and progress of the partnership concerns, and may advise as to their management, but he shall not transact any business on account of the partnership, nor be employed for that purpose as agent, attorney, or otherwise. If he shall interfere, contrary to these provisions he shall be deemed a general partner.

Special partner's powers.

SEC. 18. The general partners shall be liable to account to each other, and to the special partners, for their management of the concern, both in law and equity, as other partners now are by law.

General partner's duties.

SEC. 19. Every partner who shall be guilty of any fraud in the affairs of the partnership, shall be liable civilly, to the party injured, to the extent of his damage, and shall also be liable to an indictment for a misdemeanor, punishable by fine or imprisonment, or both, in the discretion of the court by which he shall be tried.

A partner's fraud punish'd by fine and imprisonment.

SEC. 20. Every sale, assignment or transfer of any of the property or effects of such partnership, made by such partnership when insolvent or in contemplation of insolvency, or after, or in contemplation of the insolvency of any partner, with the intent of giving a preference to any creditor of such partnership or insolvent partner, over other creditors of such partnership, and every judgment confessed, lien created, or security given by such partnership, under the like circumstances, and with the like intent, shall be void, as against the creditors of such partnership.

Firm cannot assign property or prefer creditors.

SEC. 21. Every such sale, assignment, or transfer of any of the property or effects of a general or special

Any partner cannot assign property or prefer creditors.

partner, made by such general or special partner, when insolvent or in contemplation of insolvency, or after or in contemplation of the insolvency of the partnership, with the intent of giving to any creditor of his own, or of the partnership a preference over creditors of the partnership, and every judgment confessed, lien created or security given by any such partner under the like circumstances and with the like intent be void, as against the creditors of the partnership.

Special partner's liabilities.

SEC. 22. Every special partner who shall violate any provisions of the two last preceding sections, or who shall concur in or assent to, any such violation by the partnership or by any individual partner, shall be liable as a general partner.

Special partners not allowed as creditor.

SEC. 23. In case of the insolvency or bankruptcy of the partnership, no special partner shall, under any circumstances, be allowed to claim as a creditor, until the claims of all the other creditors of the partnership shall be satisfied.

Terms of dissolution of partnership.

SEC. 24. No dissolution of such partnership by the acts of the parties, shall take place previous to the time specified in the certificate of its formation, or in the certificate of its renewal, until a notice of such dissolution shall have been filed and recorded in the office of the Clerk of the District Court in which the original certificate was recorded, and published once in each week for four weeks, in a newspaper printed in each of the counties where the partnership may have places of business.

Take effect.

SEC. 25. This act shall be in force from and after its publication according to law.

Approved March 22d, 1858.